Audible.com and MP3 Player

Second Quarter Report
6/1/01 to 9/1/01

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Welcome to the Kalamazoo Public Library's second quarter report of our contract with Audible.com to provide digital audio content by loaning MP3 players to patrons. For those of you familiar with this experiment, a few new issues have arisen that have required us to tweak and in some cases revise our policies. If you are new to this concept, please review our first quarter report for background information. Other documentation of a helpful nature includes:

- *Public Libraries* (June/July 2001, p. 242)—article that includes most of the text of the grant proposal that provided the bulk of our funding to start this program
- *American Libraries* (August 2001, p. 64)—excellent general article on MP3 technology that specifically mentions KPL's program

If your library is thinking of instituting a similar program, we strongly encourage you to identify as clearly as possible your long-range program goals. This is easier said than done, as no one knows exactly if or when digital audio content will assume prevalence over more traditional formats or what the "content receptacle" of choice will become. KPL began this program with the assumption that digital audio can become a viable alternative to audiotape and CD formats; ideally, the library would at some point be able to stop ordering hard copy formats and convert totally to being a digital content provider. As of this report, we see no reason to modify these long-range program goals; however, leadership from both the corporate and public sides of the equation is essential if total digital conversion is even to be an option.

Libraries newly instituting this program would do well to think through thoroughly the issue of title selection policy. Because KPL began this program on a limited budget, we wanted titles to be selected by patron demand to maximize customer satisfaction with dollars spent. Another reason for allowing title selection to be patron-driven is that we wanted to focus on and benefit from the ability to purchase titles while patrons wait. Certain limitations were placed on "instant purchase" title selections; titles outside these parameters are noted on a request form and processed through the department head with a one-to-two-day turnaround time. Initially, we limited purchases to books (no speeches or lectures), always preferring the unabridged versions (as our patrons do) whenever there was an option.

The primary question that keeps arising at KPL regarding title selection is: are we pleasing the patron at the expense of building a well-balanced collection, or are we achieving both aims equally? We have converted many patrons to favoring a digital book format; these patrons are now requesting that we purchase titles already owned in multiple formats (sometimes abridged and unabridged audiocassette as well as Book-on-CD) simply because they prefer to listen to them using the compact portability of an MP3 player. Of course, we're happy that our MP3 patrons are so pleased with the service, but are we *so* happy that we want to spend money on yet another format edition of Grisham's "The Brethren"?

We have had a few patron requests for speeches and lectures and have modified our purchasing policy to add some of these titles, many of which are Audible.com exclusives or are difficult to get in other formats from other sources. These are usually fairly inexpensive and are wonderful little gems to flesh out a collection; however, patron demand for them is generally fairly low. When compared to the demand for bestsellers, you just don't get as much bang for your buck.

With these few modifications, our selection policy seems to work well at both meeting demand and adding to the collection. Patrons want best-selling authors' titles – old and new - in digital format, so we get them while they wait, even though it means that we often own multiple versions of the same title. Patrons submitting requests for purchase of digital titles not on our pre-approved purchase lists (NYTBS, Oprah books, Book-My-Favorites program authors) increase the variety of offerings in this collection, as many of these requests are for speeches, lectures, or classics. We have had a few patrons who visit the Audible website at home, then bring a LONG list of titles to the library, requesting that we purchase them all. We've had to institute a "three request per visit" policy to try to prevent a few of our patrons from spending most of our digital budget!

Hopefully, these few examples will give other libraries considering starting a similar program some food for thought while determining selection procedures. This bridge between formats is a little different than others we have crossed previously. Patrons crossing over to books on CD from audiocassettes are getting basically the same sound experience using slightly different methods. But MP3 transmitted digital sound is a totally different *experience* than audiocassette or CD listening. It's compact and eminently portable. Our "converted" patrons would certainly use MP3s *exclusively* if they could transfer to personally owned players (rather than relying on us having one available) and if we owned a more extensive digital collection.

As those patrons converted to the digital experience get over the novelty of the players, sound quality is becoming more of an issue. More patrons express the desire for titles downloaded in higher-level format #4, which offers sound quality similar to FM audio (format #1 offers sound quality similar to AM audio). Once a title is purchased from Audible, the library can loan it to patrons in any format without having to pay for each format separately. While this is to the library's financial advantage, and satisfies patrons' desire for better sound if needed, there are downsides - format #4 takes significantly longer to download, tying up the PC's Audible manager, and hard drive storage space gets eaten up more quickly. More importantly, the Diamond Rio 500 players that KPL purchased only hold about 4 ½ to 5 hours of format #4 compressed sound, so format #4 titles of any length have to be transferred to the players in two or three separate visits. Extra memory can be purchased for about $100 per player, providing an extra 128 megabytes of memory or about 10 extra hours of format #4 playing time. KPL is considering buying extra memory for a few of our players to see how this satisfies customer demand for better sound quality.

Short of installing extra memory on any of the library-owned Rio players, KPL has no way to loan unabridged Audible titles in high-quality audio in their entirety, let alone two at a time, to a patron during a single visit. This is a crucial factor when considering whether or not digital audio will be a viable competitor against audiobooks on tape or disc formats in this specialized, institutional marketplace.

Other issues crucial to the success of digital audio in this marketplace include developing a pricing policy that will benefit the library, Audible, Inc. and Audible's suppliers. KPL currently uses the following guidelines to estimate concurrent uses of digital books:

NYT Fiction Bestsellers—up to 5 concurrent usages

NYT Nonfiction Bestsellers & newer fiction (6 months old)—up to 3 concurrent usages
Older fiction and nonfiction titles—up to 2 concurrent usages

The library pays the list price multiplied by the number of concurrent usages we would like to be able to circulate. So far, this system of estimation has been very accurate; however, as the program grows in popularity, increased demand may precipitate the need for higher circulation. If the time comes when titles can be transferred to non-library-owned MP3 players, this will further increase circulation of digital titles. KPL has encouraged Audible.com to pursue agreements with content providers that will allow patrons to bring in their own players for title transfers from our computer. This would allow us to improve service to our patrons and ensure that more people could benefit from the digital book program simultaneously (we are currently limited by only owning 20 players for loan).

A second issue that needs addressing is providing better ways to track actual title circulation. Currently, the circulation of the MP3 players is recorded by the library's circulation system and downloads of titles are recorded manually. As the number of titles we own grows, this method is becoming cumbersome. Ideally, Audible, Inc. will create software that overlays the circulation system, tracking actual title circulation in real-time and blocking circulation of a title once the maximum number of concurrent copies are downloaded to patrons.

In an effort to further promote and publicize the availability of digital books at KPL, we searched our database for names of people who have borrowed audiobooks in any format within the past twelve months. We recently sent a letter to 700 of our audiobook patrons, inviting them to participate in this experiment and welcoming their feedback and comments. Our experience thus far has been that, once traditional format audiobook users have a "lesson" in digital book compression and MP3 player use, they are quite excited about switching over to this format that is far more portable and convenient to use.

A few final questions that have come up at KPL and that may interest other libraries considering this service:

1) One of our regular MP3 player patrons has inquired about buying his own player from Audible.com and authorizing it on our computer. Matt Fine reports that Audible has no problem with this; however, if the library agrees to "sponsor" this patron's player in this way, we are wondering how to deal with the patron's potentially increased proprietorial rights towards title selection.

2) Will this service be offered to both residents and non-residents equally, or will some (or all) of the digital book benefits have charges assessed to non-residents? (KPL policy currently offers the same borrowing privileges to all patrons, provided they have a credit card number to leave for collateral.)

3) If the trend preferring format #4 sound quality continues, how quickly will the hard drive space be eaten up on our one Audible title base computer?

4) Will increasing numbers of titles become available in the unabridged versions that our patrons prefer? (Audible.com has made great strides in this area since the March

inception of our program; however, nonfiction titles are still frequently only available in abridged format.)

In closing, KPL is happy to share our learning experiences, policy decisions and procedures if it will help more libraries join us in offering digital content. Start-up costs are relatively modest and some of the industry changes we are hoping for will only happen when more libraries participate. Contact any of the persons listed on the cover page of this report for more information; we welcome any questions from other libraries interested in starting similar programs.